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GOVERNOR'S OFFICE OF ENERGY MANAGEMENT AND CONSERVATION ASSISTS STATE AGENCIES IMPLEMENT PERFORMANCE CONTRACTING

DENVER, CO June 24, 2004— The first milestone of Governor Owens' Executive Order #D01403, http://www.state.co.us/gov_dir/govnr_dir/exec_orders/d01403.pdf, requires state departments to investigate the feasibility of a performance contract by July 1, 2004. Performance contracting enables state and local governments to invest in energy-saving equipment, using future energy and water cost savings to pay for improvements. By February 2005, all agencies are expected to have initiated these projects.

The Governor's Office of Energy Management & Conservation (OEMC) and its Rebuild Colorado program are long-time supporters of performance contracting. Rebuild Colorado offers free services to help state and local governments implement projects and has seen a total of \$80 million, \$20 million completed and \$60 million underway, invested in projects during Governor Owens' term. These are funded by more than \$8 million in annual cost savings generated from energy and water efficiency projects.

"Colorado's \$80 million investment in projects is the equivalent of taking 25,000 cars off the road and saving millions of gallons of water. The construction activity, most to happen in the next two years, creates 350 jobs and pumps \$32 million into the local economy, said Rick Grice, executive director of OEMC. "Rebuild Colorado will assist agencies meet the upcoming milestones."

Among the state projects underway is the Department of Personnel and Administration (DPA)'s \$10 million project to improve the state capitol and surrounding state office buildings. Several state departments are in with DPA on this contract: Department of Labor & Employment, Department of Revenue, Judicial Department and Department of Public Safety. DPA's State Buildings and Real Estate Programs works with OEMC to establish performance contracting as a standardized way for agencies to improve facilities. Other developing state projects:

- Department of Human Services' multi-million dollar project to improve office spaces, and veterans' nursing homes
- The Department of Corrections' large network of prison facilities

The Executive Order encourages higher education institutions to use performance contracting and work with Rebuild Colorado. Several colleges, such as Western State College and Adams State College embraced performance contracting in the mid-90s, which helped develop these projects:

- The University of Northern Colorado completed a \$1.5 million lighting project and has a \$3 million heating and cooling systems upgrade under construction
- Colorado State University at Pueblo anticipates a second performance contract for \$6.2 million to modernize its central heating system and improve lighting systems
- The University of Colorado's Division of Housing in Boulder is working on a \$6 million project to improve campus dormitories
- The University of Colorado at Colorado Springs anticipates a \$1.3 million campus-wide project
- Fort Lewis College and several other community colleges are developing projects

The successes of these groups have inspired several local governments to follow the state's lead. Many school districts have used this approach to stretch limited budgets to make capitol improvements. A few local government projects are:

- Academy 20 School District's completed pilot project
- The City of Arvada's anticipated \$1.4 million project

- Colorado Springs School District #11's anticipated \$4.2 million project
- Garfield 16 School District's anticipated project
- Monte Vista School District's \$260,000 in building upgrades now under construction

To learn more about Rebuild Colorado or the Executive order, please visit www.colorado.gov/rebuildco.

About Rebuild Colorado

OEMC developed Rebuild Colorado to help building owners identify and capitalize on energy-saving projects in buildings. It is the state program of and funded by the U.S. Department of Energy's Rebuild America Program. It provides free services to state and local governments including: school districts, state agencies, higher education institutions, cities, counties, hospitals, and public housing authorities. Learn more about Rebuild Colorado online at www.colorado.gov/rebuildco, contact Rebuild Colorado at rebuildco@state.co.us or call Linda Smith at 303-894-2383 or 1-800-632-6662.